



FACTORS HAVING AN EFFECT ON RETAILERS' WILLINGNESS TO PAY PREMIUM FOR SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE FASHION



Katia Lauwers

Open University of the Netherlands

Faculty: Management, science & technology

Graduation circle: Relationship marketing

Supervisor: dr. Jos Schijns

Co-assessor: dr. Jelle Mampaey

Final thesis for Master in Management

Date: 13/02/2017

PREFACE

This final thesis is the last step in achieving my Master of Science in management.

Out of personal and professional interest the research evolved and it was interesting to see how many aspects are involved in creating support for responsible business in the fashion industry and the willingness to pay premium.

This thesis helped me to better understand the aspects of ethical and responsible business and the retailers' view on this.

The copyright of the Master thesis rest with the author; the author is responsible for its contents. The Open University Heerlen is only responsible for the educational coaching and cannot be held liable for the content.

Katia Lauwers

ACKNOWLEDGEMENTS

I wish to thank my first supervisor Jos Schijns for supporting and guiding me during this research. I wish to especially thank him for his patience and excellent advice whereby I succeeded in the completion of my thesis.

I also want to thank my friend Birgitte for helping me making the exhibits of the conceptual model and valuable comments on my drafts.

And finally, my husband and children for supporting me all the way.

ABSTRACT

Sustainability and environmentally friendly entrepreneurship are becoming important among consumers. In different domains like the food industry, transport or construction consumers are searching and exploring other ways of consuming which are more environmentally friendly and socially responsible. Organic food in the food-industry is becoming a familiar concept. Also in transportation, consumers are looking to contribute in the reduction of CO²-emissions.

The apparel sector is worldwide business, affecting environment and people. The traditional clothing sector underwent some negative publicity about compromising production conditions in the manufacturing. The clothing sector responded by introducing organic products and Fair Trade Production (Goworek et al, 2012). Thereafter, interest in sustainable clothing production grew and consumers are becoming more aware of the environmentally friendly material and the ethically responsible manufacturing. Both, social and environmental responsibility, are much discussed topics.

Shen et al. (2012) investigated the relationship between ethical fashion and the purchase behaviour for consumers. They concluded that the relationship between knowledge and support of socially and environmentally responsible business has been proved to be the most important aspect of impact on developing sustainable businesses.

This research investigates the support in socially and environmentally responsible business and the willingness to pay premium, more specifically the retailers or small fashion boutiques. Most research about environmental or fair trade issues focused on the end-consumers, where this research focusses on the retailers, who are a main element in the supply chain. This research is looking to find more answers in what factors have an effect on retailers' willingness to pay premium for socially and environmentally responsible products? The outcome of the research can be significant for all players in the supply chain like farmers, manufacturers, distributors, shops and consumers.

The research objectives are to:

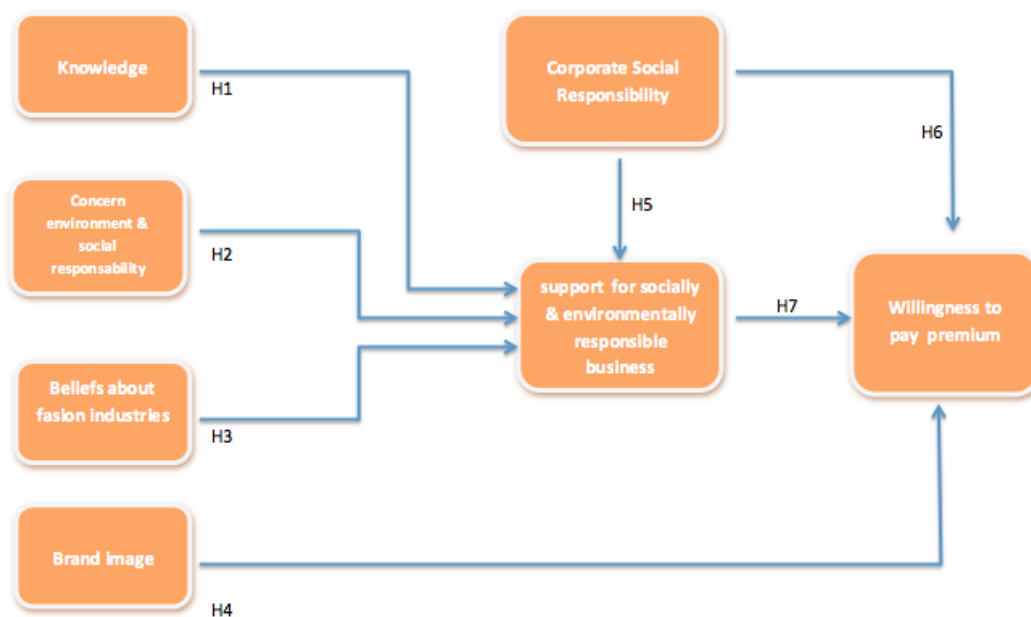
- identify retailers' knowledge (awareness on child labour or exploitation of workers), concern (interest in ethically manufacturing, humane handling of animals), beliefs (influence of ethical beliefs towards consumption) for supporting socially and environmentally responsible business
- explore the influence of brand image and CSR on willingness to pay premium for socially and environmentally responsible business
- analyze and explore the retailers' support and how this results in willingness to pay premium for a socially and environmentally responsible product.

For this research, the model of Shen et al. (2012) is used and applied on retailers. This theoretical model also includes the corporate responsibility of the retailers and brand image and the impact on the willingness to pay premium for ethical products an element of the model of Anselmsson et al. (2014). The combination of the two existing models will extend the research for factors that influence retailers' willingness to pay premium for ethical products. This adopted model contributes to new views and elements to improve support and willingness to pay premium for socially and environmentally responsible products. This research is important to complete other scientific researches in fashion or other branches.

The hypotheses are tested, using survey data collected from retailers of small fashion boutiques in Belgium through a questionnaire. 88 questionnaires were returned and were used for the data analysis with Structural Equation Modeling (SEM).

The model is tested on convergent validity, indicator reliability, composite reliability and discriminant validity, all be found to be significant, which means that all criteria in the model have a fit and the model is reliable.

Seven hypotheses are tested whereof five found to be significant for the total tested population.



This research confirms the current model that shows the relationships between knowledge, concern and CSR and support for socially and environmentally responsible business, brand image and support for socially and environmentally responsible business and willingness to pay premium.

Summarized this research contributes to science by confirming an earlier tested model of Shen et al (2012) in the fashion industry and Anselmsson et al (2014) in the food industry and extending it to the retailers in the fashion sector.

The research shows the relationships between knowledge, concern and CSR and support for socially and environmentally responsible business and brand image and support for socially and environmentally responsible business and WTP. We give some recommendations that can be used by companies in the fashion industry or other industries in the future. If manufacturers want to improve the support for socially and environmentally responsible business it is important to know the factors that convince them. This can be done by putting forward their CSR strategies. Knowing knowledge and concern are also important elements for increasing support, it is important for manufacturers to be transparent about working conditions, resources, choice of material, transport, waste,... towards retailers and consumers.

As the model is still not complete further research should focus on identifying determinants, such as concern, beliefs, knowledge and CSR, of support for socially and environmentally responsible business and possibly other determinants, such as brand image, CSR and support for socially and responsible business, of willingness to pay premium. Unfortunately there was for this research a low response rate. This should serve future research to look for another way of data collection.

KEY WORDS

Knowledge, Concern, Beliefs, Brand Image, Corporate Social Responsibility, Support for socially and environmentally responsible business, Willingness to pay premium, Fashion, Apparel

TABLE OF CONTENT

1. <u>CHAPTER 1 - INTRODUCTION</u>	1
1.1 Environmental awareness and social responsibility at consumers	1
1.2 Environmental awareness and social responsibility at society	1
1.3 Environmental awareness and social responsibility at a cost	3
1.4 Retailers and environmental awareness and social responsibility	3
1.5 Factors influencing retailers' willingness to pay premium for durable and socially responsible products	5
1.6 Reading guide	6
 2 <u>CHAPTER 2 – LITERATURE REVIEW</u>	 7
2.1 Introduction	7
2.2 Ethical fashion – Fair Trade label	7
2.2.1 What is ethical fashion?	7
2.2.2 What does ethical fashion indicate?	7
2.3 Support for Socially and Environmentally responsible Clothing	8
2.3.1 What are retailers in the supply chain?	8
2.3.2 What do retailers in the supply chain indicate?	8
2.4 Retailers in the supply chain	9
2.4.1 What are retailers in the supply chain?	9
2.4.2 What do retailers in the supply chain indicate?	9
2.5 Retailer's knowledge about social and environmental issues	9
2.5.1 What is knowledge?	9
2.5.2 What does knowledge indicate?	10
2.6 Retailers' concern about social and environmental issues	10
2.6.1 What is concern?	10
2.6.2 What does concern indicate?	10
2.7 Retailers' beliefs about social and environmental issues	11
2.7.1 What is belief?	11
2.7.2 What does belief indicate?	11
2.8 Brand image	11
2.8.1 What is brand image?	11
2.8.2 What does brand image indicate?	12
2.9 Corporate Social Responsibility (CSR)	12
2.9.1 What is Corporate social responsibility (CSR)?	12
2.9.2 What does CSR indicate?	13
2.10 Willingness to pay premium	14
2.10.1 What is willingness to pay premium?	14
2.10.2 What does willingness to pay premium indicate?	14
2.11 Conclusion literature review	15
 3 <u>CHAPTER 3 - METHODOLOGY</u>	 17
3.1 Method of research	17
3.2 Data Collection	17
3.3 Questionnaire	18
3.3.1 Knowledge	18
3.3.2 Concern	18
3.3.3 Belief	18
3.3.4 Brand image	19
3.3.5 CSR	19

3.3.6	Support for socially and environmentally responsible business	19
3.3.7	Willingness to pay premium	19
3.4	Data analysis	20
3.5	Methodological issues	20
3.5.1	Survey addresses	20
3.5.2	Reliability	20
3.5.3	External validity	20
3.5.4	Internal validity	21
4	<u>CHAPTER 4 – RESULTS</u>	22
4.1	Introduction	22
4.2	Research Results	22
4.3	Analysis of the data	23
4.3.1	Pre-Data Analysis	23
4.3.2	Convergent validity & indicator reliability	23
4.3.3	Composite reliability & discriminant validity	26
4.3.4	Assessing structural model results	28
4.4	Hypotheses	29
4.5	Research Questions	29
5	<u>CHAPTER 5 - CONCLUSION</u>	31
5.1	Conclusion	31
5.2	Discussion / Limitations	33
5.2.1	Construct validity	33
5.2.2	Internal validity	33
5.2.3	External validity	33
5.2.4	Reliability	33
5.2.5	Conclusion	34
5.3	Practical recommendations	34
5.4	Recommendations for future research	35
6	<u>REFERENCES</u>	36
	<u>APPENDIX</u>	39

LIST OF ABBREVIATIONS

CSR	Corporate Social Responsibility	
ERB	Environmentally Responsible Business	
PLS	Partial least squares	
PLS-SEM	Partial least square structural equation modeling	
SRB	Socially Responsible Business	
WTP	Willingness to pay premium	

LIST OF EXHIBITS

Exhibits	
Exhibit 1. Wellmade Project supply chain	2
Exhibit 2: Hypotheses	15
Exhibit 3: Conceptual model	16
Exhibit 4: General information about the respondents	22
Exhibit 5: Final model tested	25
Exhibit 6 : Convergent validity , Composite reliability	27
Exhibit 7: Discriminant validity	27
Exhibit 8: Collinearity test	28
Exhibit 9: Path Coefficients	28
Exhibit 10: R ² Values	29
Exhibit 11: Hypotheses	29

1 CHAPTER - INTRODUCTION

1.1 Environmental awareness and social responsibility at consumers

Sustainability and environmentally friendly entrepreneurship are becoming important among consumers. In different domains like the food industry, transport or construction consumers are searching and exploring other ways of consuming which are more environmentally friendly and socially responsible. Organic food in the food-industry is becoming a familiar concept. Also in transportation, consumers are looking to contribute in the reduction of CO²-emissions. In the food industry commitment to ethical food consumption has already evolved and strongly grown. One of the reasons is that food affects immediately health and well-being. In the fashion sector, however, an unethical choice does not directly affect health and well-being (Joergens, 2006).

The apparel sector is worldwide business, affecting environment and people. The traditional clothing sector underwent some negative publicity about compromising production conditions in the manufacturing. The clothing sector responded by introducing organic products and Fair Trade Production (Goworek et al, 2012). Thereafter, interest in sustainable clothing production grew. Although for consumers today, sustainability, Fair Trade and Eco-fashion are established concepts, knowledge about sustainable and ethical products is lacking (Goworek et al, 2012).

For *"the day of the earth"* on 22th of April 2015, GFK (Market research organization) investigated the environmental awareness of people. The conclusion of the investigation shows that 47% of the Belgian population feels guilty when doing something non-environmentally friendly. Only 43% of the people are buying products in the line of their convictions. 73% of the Belgian consumers agree with the thesis that brands and companies should take their responsibility in the environmental issues.

1.2 Environmental awareness and social responsibility at society

The importance of environmentally and socially responsible manufacturing and consumption is being supported and pronounced by different communities, such as the U.N., where Ban Ki-Moon announced 2015 to be the year of sustainability (COP21 in Paris), the European government who announced the climate targets for 2020. Organizations concerned with the wellbeing of the planet, environment, people or animals bring contributions and solutions to improve environmentally and socially responsibility for manufacturers and consumers.

Consumers are becoming increasingly aware of the material of the apparel they buy and consumers are demanding that the fashion supply chain is transparent and ethical. Shen et al. (2012) investigated the relationship between ethical fashion and the purchase behaviour.

They concluded that the relationship between knowledge and support of socially and environmentally responsible business has been proved to be the most important aspect of impact on developing sustainable businesses.

The importance and concern of durable and socially responsible products are defended and nominated by the WFTO (World Fair Trade Organization). Fair Trade organizations are engaged with raising awareness for changes in the rules and practice of conventional international trade. Fair trade is a tangible contribution to the fight against poverty, climate change and economic crisis (www.wfto.com). Socially working conditions, more specifically child labour are on the agenda of UNICEF. Unicef supports 'the Roadmap for achieving the elimination of the worst forms of child labour by 2016'. UNICEF addresses employers and the private sector to assess and point out the impact of their supply chain and business practices upon children. (www.unicef.com). To improve labour conditions for garment workers, The Fair Wear Foundation works together with companies and factories (www.fairwear.org). Eight labour standards, are the basis of a collaboration between the Fair Wear foundations and the members.

Recently, throughout the Fair Wear foundation, another project to implicate all partners in the supply chain was created. The WellMade project is designed to provide people working in European fashion brands with an understanding of the most important labour issues in clothing factories. Whatever the job – design to sales, merchandising to procurement – the Wellmade project offers help to take steps to make a company's supply chain a better place to work. The WellMade project can help companies to figure out where to start in the chain. (www.wellmade.org). Using sample problems, and highlighting the impact different kinds of decisions have on factory conditions, the sessions can help companies to improve working conditions in the brand's supply chain.



Exhibit 1. Wellmade Project supply chain

Small fashion boutiques or retailers ("shop") are an important element in the supply chain and they can make a significant contribution in transmitting the message of socially responsible products to the end-customers. Investigating the elements that convince small

fashion boutiques to invest in the socially responsible products will explain the position and role they are playing in the eco-fashion supply chain.

Figure 1 shows all the elements that interact in a supply chain. When a brand is made, the process of the making of the product is completed (from Worker to Brand). The small fashion boutiques or retailers ("shop") can still express their choice for the sustainable apparel brands they want to sell to the consumers. This indicates the importance of the choices the shops can make in order to bring sustainable products to the consumers.

1.3 Environmental awareness and social responsibility at a cost

Beside trends and the fashion element, price is an important decisive factor in purchasing apparel (Joergens, 2006). Environmentally and socially responsible products come at a cost. On the one side consumers are becoming more aware but on the other side, the willingness to pay premium is not always explicitly pronounced.

Recent studies (Goworek et al, 2012, Joergens, 2006) show ambiguous relationships between the awareness of, belief in socially responsible products and the lack in willingness to pay premium. Nevertheless, there is an increasing demand for ethical clothing and consumers are moving away from low quality clothing but unfortunately the appetite for "fast fashion"¹ has not yet diminished (Goworek et al, 2012).

The willingness to pay a premium was in recent studies investigated for the end-consumers. Research conclusions were positive for organic wool (Bernard et al. 2013) and negative for clothing in general (Niinimäki, 2009). The dual outcome raises questions whether customers are really reflecting about sustainability while shopping.

The media have also brought manufacturing and delivering aspects of sustainability to the fore, but people's purchase behaviour is often decided on the significance of style and price (Goworek et al, 2012) and that "looks" are more influential than socially responsibility.

1.4 Retailers and environmental awareness and social responsibility

Retailers are an important element in the supply chain. Environmental awareness and social responsibility can have an influence as well down in the chain as up in the supply chain. Retailers can take actions for their business that are environmentally and socially responsible. These decisions can have implications for consumers or manufacturers from whom they purchase.

¹ manufacturing to respond to fast changing consumer tastes

Goworek et al. (2012) investigated the factors that influence the consumers' behaviour on sustainability and ethical issues. The research provides an overview of the issues of sustainable clothing and how retailers can encourage ethical consumer behaviour. Goworek et al. (2012) investigated the role of the retailers in the sustainable clothing market and concluded that the retailers have a significant role to play. Retailers are uniquely positioned to influence and improve consumers' approach to the sustainability of clothing.

Retailing with a conscience, retailing with a difference and not only maximizing profits are words quoted by Morrison and Humlen (2013). Retailers are aware they need to take sustainable business into account in their practices. Retailers are already taking actions that take account in sustainable business (Lavorata, 2014) as for example elimination of plastic bags, internal codes of good conduct and hiring of handicapped workers, etc. A retailers' commitment to sustainable business helps them to build commitment and a good image among consumers (Lavorata, 2014).

Retailers need to unlock what sustainable value means for their consumers – not just in terms of price, but also quality and a wide range of other characteristics. To do this, marketing departments will need to seize the opportunity to engage consumers on the 'sustainable value' argument, issues that go further than packaging and plastic bags (<http://www.forumforthefuture.org>). For retailers, the store should be a representation of the company's values and best qualities, including a strong product assortment and a commitment to more sustainable operations (www.greenbiz.com). For companies attempting to prosper in today's environment, a customer-centric approach to sustainability is critical. (Sheth et al, 2011).

Also in the food industry, recognition of the important role of retailers in achieving more sustainable consumption is growing. Studies show that the large food retailers claim they are committed as well as concerned about the impact their businesses have on society, the environment and the economy; and that they communicate their commitments and achievements to consumers through Corporate Social Responsibility (CSR) reports and statements (Jones et al., 2007).

The theoretical framework of Dickson (2000) maps the concerns about and knowledge on, attitudes towards and intentions to purchase ethical fashion. Other researches, such as Shen et al (2012), used this framework to examine the impacts of consumers' concerns about and knowledge of counterfeit apparel products and the support for Socially Responsible businesses and Ethical Responsible businesses. Shen et al (2012), recommend to investigate the purchase behaviour of ethical fashion in different regions to support the results of previous studies. Chan and Wong (2012) recommend to target other respondent groups, who in many research were only young female fashion consumers between 15 and 24 years of age.

Tjärnemo and Södahl (2014), investigated Swedish food retailers promoting climate smarter food. The Swedish food retailers have environmental targets for direct retail operations, such as energy and transportation efficiency and recycling of waste. Regarding the product range, retailers promote and encourage consumers to buy organic, local, and seasonally grown food as well as to minimize food waste. According to Tjärnemo and Södahl (2014), the idea that food retailers have a responsibility to assist consumers in making climate friendlier food choices can be derived from the broader concept of Corporate Social Responsibility (CSR). Vaaland et al. (2008) suggest the following definition for CSR: *"Corporate social responsibility is management of stakeholder concern for responsible and irresponsible acts related to environment, ethical and social phenomena in a way that creates corporate benefit (p.931)."*

These statements raise an important question: how do small fashion boutiques (shops) play a role in the sustainable supply chain? This study aims at investigating the small fashion boutiques (shops) willingness to pay premium for socially and environmentally responsible products. The framework of Dickson (2000) is the basis for this research model. This research investigates the support in socially and environmentally responsible business and the willingness to pay premium.

["What factors have an effect on retailers' willingness to pay premium for socially and environmentally responsible products"?](#)

Querying the retailers about their knowledge (awareness on child labour or exploitation of workers), concern (interest in ethically manufacturing, humane handling of animals), beliefs (influence of ethical beliefs towards consumption), and views on brand image (quality, advertising, marketing) will explore the influence on their attitudes on willingness to pay premium for a Fair Trade label. Analyzing the concern of retailers on environmental issues and social and ethical responsibility will explore their attitude in support and involvement in other Fair trade organizations and how this results in willingness to pay premium for a Fair Trade label.

1.5 Factors influencing retailers' willingness to pay premium for socially and environmentally responsible products

People evolve continuously in other trends and ways of thinking. This is also the case for sustainability. Many actions have been taken by worldwide and local organizations, manufacturers and consumers to support sustainability. But a recent study from iVox (Metrotime, 2015) also shows that Belgians are no longer strongly concerned about sustainability and price and comfort are being put at first place. Networks for sustainability call for action and propose a converting thinking into doing. Therefore it is important to

understand the way in which retailers participate and are involved in sustainability and what factors are influencing them to invest in socially and environmentally responsible products.

This study is to analyze the relationship between the retailer's belief, knowledge, concern, brand image and the willingness to pay premium. The theoretical model also includes the corporate responsibility of the retailers and the impact on the willingness to pay premium for ethical products. The combination of the two existing models will extend the research for factors that influence retailers' willingness to pay premium for ethical products. This adopted model contributes to new views and elements to improve support and willingness to pay premium for socially and environmentally responsible products. This research is important to complete other scientific researches in fashion or other branches. The hypotheses are tested, using survey data collected from retailers of small fashion boutiques in Belgium and in depth interviews with retailers.

1.6 Reading guide

Chapter 1 describes the introduction and the problem definition of the research. Chapter 2 describes the theoretical framework with the literature about the retailer's belief, knowledge, concern, brand image, the willingness to pay premium and the corporate responsibility of the retailers and it gives the deriving hypotheses and conceptual model. Chapter 3 describes the research method, data collection, operationalization, the analysis of the data and the methodological issues. Chapter 4 shows the results and analysis of the research, this includes the review of the hypotheses. Chapter 5 at the end shows the conclusions of the research, restrictions and theoretical and practical implications. Recommendations for further research are handled in this chapter as well.

2 CHAPTER - LITERATURE REVIEW

2.1 Introduction

In response to the problem outlined in Chapter 1, a literature study has been performed. The literature study focuses on factors that influence the willingness of retailers to pay premium for sustainable and socially responsible products. The factors found in the literature are developed into a conceptual model that is examined throughout an empirical study of shop-managers / owners of smaller fashion stores in Belgium.

Before continuing on to the elements found in the literature, we first look at a number of concepts which are of importance to have an understanding of the context and the placements of the factors concerning the problem outlined in Chapter 1.

In this chapter the constructs of the conceptual model are described. Research for each of the constructs is presented. The conceptual model is also described in this chapter. For each relationship between the constructs in the conceptual model a hypothesis is proposed. The conclusion of the literature review proposed a conceptual model

2.2 Ethical fashion

2.2.1 What is Ethical Fashion?

Ethical fashion is defined as fashion clothing that is produced under fair trade principles in sweatshop²-free labour conditions, with efforts made to reduce the environmental harmfulness of the process. But there exists no one industry standard to define ethical fashion (Joergens, 2006). It is often described as "fashion with a conscious". Eco-friendly materials, production under fair trade conditions have become the basic elements of a fair trade label.

2.2.2 What does ethical fashion indicate?

With a fair trade engagement, fashion companies fulfil their social and environmental responsibilities and match the increasing consumer demand for sustainability (Shen et al. 2012).

² **Sweatshop** is a pejorative term for a [workplace](#) that has [socially unacceptable](#) working conditions. The work may be difficult, dangerous or underpaid. Workers in sweatshops may work long hours for low pay, regardless of laws mandating overtime pay or a [minimum wage](#); [child labour](#) laws may also be violated. (Source: Wikipedia)

2.3 Support for Socially and Environmentally Responsible Clothing

2.3.1 What is support for socially and environmentally responsible clothing?

Some of the key social and environmental sustainability issues in the clothing industry are the increased volume of clothing consumption; employee working conditions and wages; pesticide use and disposal of used garments (Bianchi and Birtwhistle, 2010). Ethical consumption is described by Jobber (2006, p. 217) as “the taking of purchase decisions not only on the basis of personal interests but also on the basis of the interests of society and the environment”..

2.3.2 What does support indicate?

According to Joergens' (2006) investigation, participants were aware of ethical issues concerning clothing manufacture and consumption, but this didn't usually affect their purchase behaviour. Understanding the purchase decisions of consumers for socially responsible apparel is an important element in her study.

The study of Dickson (2000) pointed out that greater knowledge and concern about issues in the apparel industry, as well as beliefs about the U.S. apparel industry, were related to greater support for socially responsible businesses. Dickson (2000) established a theoretical framework in which ‘concerns about’, and ‘knowledge of ethical fashion’, ‘beliefs about the fashion industry’ and ‘support for socially responsible business’ are studied. Dickson (2000) composes a theoretical framework in which personal values, concerns about and knowledge of ethical fashion, beliefs about the fashion industry and support for Socially Responsible businesses are investigated.

Personal values, beliefs, knowledge and personal characteristics were explored by Dickson (2000) for their influence on attitudes toward socially responsible apparel business practices. The model shows the relationships between female consumers’ societal values, beliefs, knowledge, and personal characteristics, and attitudes regarding socially responsible apparel business practices. Furthermore, the model shows the attitudes toward socially responsible apparel business practices and product attitudes related to female consumers’ intentions to buy from socially responsible apparel manufacturers and retailers.

Shen et al. (2012) apply Dickson’s model to investigate the impact of consumers’ concerns about, knowledge, belief and also support for socially and environmentally responsible business, involving the last chain of the supply chain: the consumer.

2.4 Retailers in the supply chain

2.4.1 What are retailers in the supply chain?

A lot of research is done about the relationships between concern, knowledge and beliefs in ethical fashion and the willingness to pay premium by consumers. For example, the research of Shen et al. (2012) on the relationship between ethical fashion and consumer purchase behaviour, and the research of Chan et al. (2012) on the related attributes of eco-fashion and the consumers' consumption decisions. But about the retailers in the fashion industry there is not much research available. Retailers are the link in the supply chain between the manufacturers or distributors and the consumers.

2.4.2 What does retailers indicate in the supply chain indicate

Goworek et al.'s (2012) research makes a link to the consumers' perspectives on sustainable clothing and how this could influence retailers' policies. Goworek et al. (2012) investigated the role of the retailers in the sustainable clothing market and concluded that the retailers have a significant role to play. Retailers are uniquely positioned to influence and improve consumers' approach to the sustainability of clothing. Policies towards sustainable clothing can be implemented by small ethical clothing brands and market leading retailers and give the possible advantages of reduced operating costs, enhanced brand image and new marketing opportunities (Goworek et al. 2012). The findings of Tjärnemo and Södahl (2014) show that food retailers are important actors in the development of a more environmentally sustainable food system. Food retailers promote and encourage consumers to buy organic, local and seasonal food and minimize food waste.

In analogy with the food retailers, every decision retailers in the fashion industry more specifically small fashion boutiques, make can also contribute to expand ecological fashion. Therefore, perceptions about socially and environmentally conditions in the fashion industry could affect their willingness to pay premium and investment in fair trade labels. Research from different markets is used to come to a conceptual model for the retailers, containing factors that are supposed to have an effect on retailers' willingness to pay premium for socially and environmentally responsible products. These factors are elaborated upon in the next paragraphs.

2.5 Retailers' knowledge about social and environmental issues

2.5.1 What is knowledge?

Knowledge and awareness of the social and environmental issues are attributes that demonstrate in studies (Dickson, 2000) (Shen et al., 2013) to be explanatory elements in the purchase decision process of customers. Consumer knowledge of issues may play a part in environmental responsibility and apparel consumption. Respondents who were more knowledgeable about textile and apparel environmental issues perceived themselves to have more impact on the problem (Dickson, 2000).

2.5.2 What does knowledge indicate?

Consumers are becoming increasingly aware of the material content of apparel they buy. Socially and environmentally issues are factors that might influence ethical purchase decisions. Awareness on discharging toxic chemicals, poor working conditions in sweatshops are elements that can influence people to change their purchase behaviour (Shen et al. 2012).

Shen et al. (2012) conducted a research in Hong Kong to investigate the impact of ethical fashion on consumer's purchase behaviour. They divided the ethical business in environmentally and socially responsible business. The conclusion showed that knowledge about socially and environmentally responsible business has a positive influence on support of the ethical business. This support has impact on purchase behaviour, e.g. the willingness to pay premium. The willingness to pay premium in future purchase behaviour toward ethically responsible products is more important for social issues than for environmental issues. E.g., on average respondents regard preventing sweatshop labour as of a higher priority than protecting the environment. Applying the theory on the retailers, this leads to the following hypothesis:

H1 Small fashion boutiques' knowledge about social and environmental issues has a positive influence on the support for socially and environmentally responsible business.

2.6 Retailers' concern about social and environmental issues

2.6.1 What is concern?

Concern is defined by Dickson (2000) as an attitude that is focused on specific objects or situations and is conducive to change. In 2000, consumers had still insufficient knowledge of problems in the apparel industry and as a result, concern for workers, support for socially responsible businesses and intention to buy from the Trendsetters may be lacking (Dickson, 2000). But today consumers are becoming increasingly aware of the material content of the apparel they buy and are more concerned for chemicals being discharged, chemical fertilizers, pesticides, labour sweatshops (Shen et al. 2012).

2.6.2 What does concern indicate?

Dickson (2000) states the changing levels of concern of the Americans on socially-directed values such as equality. Consumers are increasingly concerned about the social consequences of their purchases and avoid retailers who sell clothing produced by offshore sweatshops (MacFadden, 1995). Shen et al. (2012) concluded that concern is a significant factor influencing the support for responsible business (socially and environmentally). The support for socially and environmentally responsible business influences consumer willingness to pay premium.

Applying the theory on the retailers, this conclusion adds the following hypothesis:

- H2 Small fashion boutiques' concerns for environmentally and socially responsible business have a positive influence on the support for socially and environmentally responsible business.

2.7 Retailers' beliefs about social and environmental issues

2.7.1 What is belief?

Belief about the apparel industry serves as a base for the formation of attitudes and is seen as predictor for consumers' attitudes (Dickson, 2000). Belief about socially and environmentally responsible business is a commitment that drives consumers towards purchasing eco-friendly (Niinimäki, 2010).

2.7.2 What does belief indicate?

Dickson's model (2000) uses beliefs, along with values, knowledge, and personal characteristics, as a base for the formation of attitudes. Attitudes are focused on specific objects or situations, and are more conducive to change. Beliefs in sustainable fashion apparel for small fashion boutiques are to be investigated to examine the attitudes and changes this provokes in the purchases decision process and whether this can engage a change in the attitude of small fashion boutiques. Niinimäki (2010) investigated the internal drivers when consumers make ethical purchase decisions in the apparel world. The conclusion states that ethical purchasing decisions and the willingness to pay premium are driven by strong personal ideology. Applying the theory on the retailers, this gives the following hypothesis:

- H3 Small fashion boutiques' beliefs about eco-fashion industries have a positive influence on the support for socially and environmentally responsible business.

2.8 Brand image

2.8.1 What is brand image?

The Oxford dictionary describes brand image as follows: "The general impression of a product held by real or potential consumers". Anselmsson (2014) describes brand image as any information linked to the brand in the customer memory.

The fourth variable to investigate is brand image and how this affects the attitudes, purchase behaviour of the small fashion boutiques. Aaker (1996) and Kapferer (1997) pointed out that brand image is an essential part, which enables brands to differentiate their products from their competitors.

According to Anselmsson et al. (2014) there are different ways of defining brand equity but

most authors agree with Farquhar's (1989, p. 47) early definition of brand equity as "the value endowed by the brand to the product". Also according to Anselmsson et al. (2014) most authors agree that the financial value of brands is rooted in the minds of consumers. Philip Kotler (2010) describes brand equity as: "the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands for the firm". Anselmsson (2014) points out that the research within the customer-based brand equity field has evolved in a distinction between determinants (brand image) and outcomes (brand strength).

2.8.2 What does brand image indicate?

The relationship between brand image and the willingness to pay premium could indicate the contrast of the objective quality and the perceived subjective quality that exists in customers mind (Anselmsson et al. 2014). Brand image indicates the information linked to the brand in the customer memory (Anselmsson et al. 2014).

This study will investigate whether sustainable brands and their image are likely to have an effect on the attitude for the purchasing decisions of small fashion boutiques. Anselmsson et al.' (2014) research shows that not only perceived quality explains the price premium between manufacturer brands and store brands in the food industry. Non-quality brand associations such as uniqueness, social image, and origin doubled the price premium. Anselmsson et al. (2007) note that when consumers perceive that a food brand company cares for society the environment and/or its employees, the willingness to pay a price premium for that brand is heightened.

Applying this theory on the retailers in the fashion industry, this gives the following hypothesis:

H4 Brand image has a positive influence on the willingness to pay premium

2.9 Corporate Social Responsibility (CSR)

2.9.1 What is Corporate social responsibility (CSR)?

Corporate social responsibility (CSR) refers to companies taking responsibility for their positive impact on society. Companies, small or big, according to their culture, will determine different values and priorities to shape their business.

The World Business Council for Sustainable Development defines CSR as follows:

"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"

2.9.2 What does CSR indicate?

Studies show that the large food retailers claim they are committed as well as concerned about the impact their businesses have on society, the environment and the economy; and that they communicate their commitments and achievements to consumers through Corporate Social Responsibility (CSR) reports and statements (Jones et al., 2005a, 2005b, 2007b).

Tjärnemo et al. (2014) show that more and more companies developed environmental visions, policies and goals. Communication about food and climate change is provided by food retailers on their websites and is linked to CSR reports and brochures. Moreover, there are indications that food retailers are aware of their more indirect contribution on climate change through the products they sell.

Tjärnemo et al. (2014) also indicate that food retailers are willing to assist consumers in making climate smarter food choices if they believe that it coincides with commercial and financial goals. Food retailers are important actors in the development of more environmentally sustainable food system. They are powerful in their procurement role and have the potential to promote and encourage consumers to buy climate smarter food. The World Business Council for Sustainable Development (2008, p. 28) stresses the important role of business in helping consumers make more sustainable choices; and also emphasize the use of marketing tools in the achievement: Marketing can help consumers to find, choose and use sustainable products and services, by providing information, ensuring availability and affordability, and setting the appropriate tone through marketing communications.

Jones et al. (2007) survey revealed a considerable variation in CSR themes, which the top ten UK food retailers used to communicate to their customers. CSR themes employed included Fairtrade, support for local food producers, organic products, waste recycling, tackling anti-social behaviour and initiatives supporting the local community. Food retailers all stress their commitment to customers and to offering them value for money in the CSR information. Growing public awareness of the controversial economic, social and environmental impacts had the major food retailers emphasize and report their commitment to CSR (Jones et al., 2007). One of the major CSR themes currently used within stores is organic and fair trade products.

This theory gives the following hypothesis:

H5 Perceived CSR has positive influence on the support for socially and environmentally responsible business.

Lavrota (2014) proposes a tool for measuring retailers' commitment to sustainable development as perceived by consumers. Lavrota used the Triple Bottom Line dimensions economic ('profit'), social ('people') and environmental ('planet') as the indicators to measure retailers' commitment to sustainable development. The retailers' commitment to sustainable development allows retailers to determine what actions they should take to incorporate sustainable development into their practices.

Anselmsson et al. (2014) also state that a favorable CSR image positively influences consumers' willingness to pay premium. The theory above analyses the positive impact of CSR on the willingness to pay premium of the consumers. The following hypothesis will test the willingness to pay premium of the retailer himself when a favorable CSR policy exists:

H6 Perceived CSR has as positive influence on the willingness to pay premium

2.10 Willingness to pay premium

2.10.1 What is willingness to pay premium?

Using durable products, producing in socially acceptable environments do not go for free. Durable products cost more. Applying actions to improve employers working conditions and applying actions for durable waste solutions in order to make a contribution to the preservation of the planet require more investments. These investments are being added to the price of the products. A brand obtains a price premium when the sum that customers are willing to pay for products from a brand is higher than the sum they are willing to pay for similar products from other relevant brands (Aaker, 1996, Anselmsson et al., 2014).

2.10.2 What does willingness to pay premium indicate?

The willingness to pay a premium was in recent studies investigated for the end-consumers. Research conclusions were positive for organic wool (Bernard et al. 2013) and negative for clothing in general (Niinimäki, 2009). The dual outcome raises questions whether customers are really reflecting about sustainability while shopping. Is it rather a belief they want to express because they are being questioned on this subject or are customers really willing to pay premium? This theory gives the following hypothesis:

H7 Support in socially & environmentally responsible business has a positive influence on the willingness to pay premium

2.11 Conclusion literature review

The study is to analyze the relationship between the retailers' belief, knowledge, concern, brand image and the willingness to pay premium. The theoretical model also includes the relationship between a corporate social responsibility policy of the retailer and the willingness to pay premium and the relationship between a corporate social responsibility policy, willingness to pay premium for a fair trade label.

The conclusion of the literature review gives the following hypotheses:

H	Dimension	Effect	On dimension
1	Knowledge	Positive	Support for socially and environmentally responsible business
2	Concern environment & social responsibility	Positive	Support for socially and environmentally responsible business
3	Beliefs	Positive	Support for socially and environmentally responsible business
4	Brand image	Positive	Willingness to pay premium
5	Corporate responsibility	Positive	Support for socially and environmentally responsible business
6	Corporate responsibility	Positive	Willingness to pay premium
7	Support for socially and environmentally responsible business	Positive	Willingness to pay premium

Exhibit 2: Hypotheses

The conceptual model and the hypotheses are presented in exhibit 3

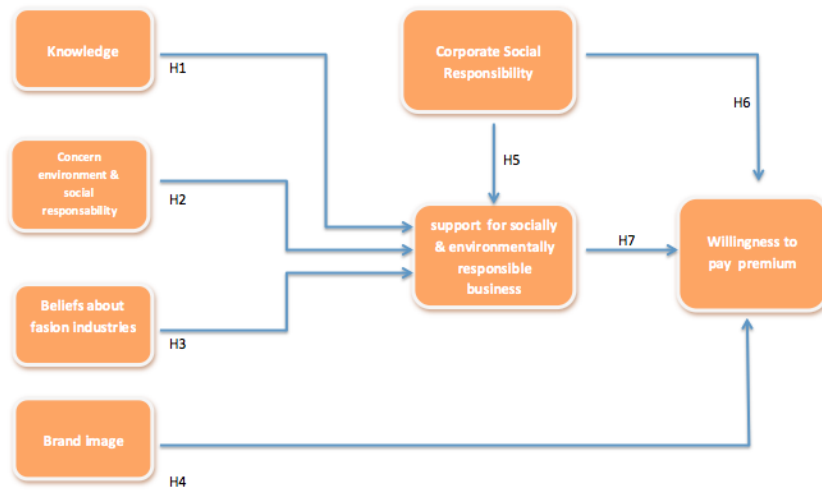


Exhibit 3: Conceptual model

The hypotheses will be tested, using survey data collected from retailers of small fashion boutiques in Belgium and in depth interviews with retailers.

3 CHAPTER - METHODOLOGY

3.1 Method of research

This section describes the research design that was used for this research. It provides information about the research strategy, the population, design, procedure and the measurements

In this section research strategies are discussed and the most relevant techniques for this research are chosen.

This research is consistent in the research of Shen et al. (2012), more specifically elaborated in Europe, Belgium and targeting the small fashion boutiques. The aim of this research is to find out what factors have an effect on retailers' (more specifically small fashion boutique) willingness to pay premium for socially and environmentally responsible products (apparel / fashion). The sector of the small fashion boutiques is consistent to the research of Goworek et al. (2012).

We need to collect data about all the dimensions. The best way to collect data about knowledge, concern, belief, brand image, CSR, support for socially and environmentally responsible business and willingness to pay premium is through a questionnaire. The questionnaire is a tool online from which the data can be analyzed. The main reasons for this research method are to create an approachable participation of the target group (Saunders, 2008). The questionnaire can guarantee anonymity which will enhance the freedom of speech (Saunders, 2008).

3.2 Data Collection

The questionnaire is reviewed by 4 persons:

- | | | |
|-----------------------------|---|--|
| - Prof. Dr. B. Schoenmakers | - | Professor faculty of Medicine KULeuven |
| - Dr. J. Schijns | - | Assistant professor Open University |
| - Mevr. V. Depoorter | - | Owner small fashion boutique |
| - Dhr. K. Vandenborre | - | Customer advisor ICTS KULeuven |

Their feedback provided comments and confirmations to make the questionnaire final. There are no reversed questions in the questionnaire.

Nowadays companies communicate via e-mail. They have e-mail addresses. Using e-mail is a good way of communication, so you can also reach the shop owner without him or her being in the shop. To collect the data the website www.enquetemaken.be is used.

We created the questionnaire with the software provided on www.enquetemaken.be. We used the download facility to download the data to excel.

The addresses were bought from DIALOG - Gouden Gids. Gouden Gids is the reference guide in Belgium for the registration of companies with postal address and email address. The Gouden Gids ranks the companies by trade segment. The filter was set on female fashion boutiques in Belgium. This selection gives a result of 733 addresses.

We have communicated the questionnaire by email and post and provided the questionnaire with a prepaid return envelope. All fashion boutiques have received an email and a letter asking to complete the questionnaire, this includes 733 shops in Belgium. Some shops in the proximity were asked personally to fill out the questionnaire.

- ☐ *The confidentiality of the questionnaire was emphasized and participants are promised that their names will not be placed on the questionnaire.*
- ☐ *Respondents are offered to receive the final report of this research*
- ☐ *Approximately one week after the first e-mail, a reminder is sent. This e-mail also thanks those who already responded.*

3.3 Questionnaire

3.3.1 Knowledge

Literature review revealed most scales used to measure the consumer's knowledge about social and environmental issues in the fashion industry. Based on the research of Shen et al. (2012) and Dickson (2000) four questions were asked to the owners of the small fashion boutiques to measure their knowledge about social and environmental issues.

3.3.2 Concern

The second element to measure is the concern about socially and environmentally responsible business small fashion boutiques have. Shen et al (2012) and Aaker (1997) used four questions in their research. This element is used to measure on small fashion boutiques concern for socially and responsible business.

3.3.3 Belief

The third element to measure the support of socially and environmentally responsible business is belief. Based on the handbook of marketing scales and the research of Shen et al (2012), three questions are asked to the small fashion boutiques. The findings of Shen et al. (2012) indicate that beliefs about the fashion industry influence consumer support for

socially and environmentally responsible business. The confidence in a company can be enhanced by increasing transparency of production and manufacturing processes.

3.3.4 Brand image

Research of Anselmsson (2014) and Aaker (1997) revealed the importance of brand image on the willingness to pay premium. Anselmsson et al (2014) proposes that when consumers perceive that a food brand company cares for society and/or its employees, the willingness to pay a price premium for that brand is heightened. The questions used in this research were adapted and transformed for the fashion industry. Four questions are asked to measure brand image

3.3.5 CSR

CSR is mentioned in the literature as significant determinant of price premium or the willingness to pay premium (Anselmsson, 2014). Goworek et al (2012) mentioned the pivotal role retailers have to play in promoting sustainability towards customers by implementing corporate social responsibility policies. To measure CSR five questions are asked to the small fashion boutiques. We use in the survey the questions and components used by Anselmsson (2014) and the handbook of marketing scales.

3.3.6 Support for socially and environmentally responsible business

To measure the support for socially and environmentally business, four questions are asked. The questions and components are also used in the research of Shen et al. (2012).

3.3.7 Willingness to pay premium

To measure the willingness to pay premium, 4 questions are asked. The questions and components are also used in the research of Shen et al. (2012).

3.4 Data analysis

88 questionnaires were returned. To analyze the data we use Excel, SAS and Structural Equation Modeling (SEM). Structural Equation Modeling provides a multivariate analysis of the variables and the model.

3.5 Methodological issues

3.5.1 Survey addresses

In this research limited time and a limited budget of 200 EUR is available. The research is limited to a group of 733 small fashion boutiques in Belgium. The questionnaire is sent to the email address, available through DIALOG - Gouden Gids. The selection in the database of addresses was specified on women's clothing shops (boutiques) with e-mail address and telephone number available.

3.5.2 Reliability

The questionnaire is elaborated from previous validated research. Other research used similar questionnaires to approach the respondents (Saunders, 2008). The questionnaire for this research was based on the research of Shen et al. (2012), Anselmsson et al. (2014) and Dickson (2000). Some questions have been adapted to apply them more specifically in the fashion sector and to the retailers, the small fashion boutiques. The questions from the research of Anselmsson et al. (2014) for the food industry were adapted towards the fashion industry. Using the Handbook of Marketing Scales the questions the face reliability of the questions is guaranteed. The questions are all translated to Dutch and French. Considering the bilingualism of Belgium both languages are necessary.

3.5.3 External validity

Only a small group of the small fashion boutiques is used for this research. The research only is taken on a specific group. The selection was made on the female small fashion boutiques in Belgium. We can not guarantee whether the results of the research can be generalized for other small fashion boutiques such as fashion boutiques for child clothing or men's clothing.

3.5.4 Internal validity

The internal validity is guaranteed throughout a first analysis of the results to examine the usefulness of the results for the research (Yin, 2009) and Djajadikerta et al (2014).

The results by other researchers, such as Shen et al. (2012) and Anselmsson et al. (2014), are used for comparison to control the internal validity of this research. The internal validity can be controlled comparing the patterns (Yin, 2009). The demonstrated relationships in the research of Shen et al. (2012) and Anselmsson et al. (2014) is used as a reference for this research.

By using a Likert-scale to answer the questions, the respondents have no space answering outside the scale.

4 CHAPTER - RESULTS

4.1 Introduction

In this chapter the research results will be presented. The chapter starts with the presentation of the result and after that, the data will be analyzed and explained.

4.2 Research Results

733 Shops in Belgium were asked, by email and by post, to answer the questionnaire. 88 questionnaires were returned which is a response rate of 12.01%.

The small sample size led us to using PLS-SEM for further data analysis. PLS-SEM allows a data analysis for a small sample size and non-normally distributed (Hair et al. 2014). The minimum sample size should be ten times the maximum number of arrowheads pointing at a latent variable anywhere in the Partial Least Squares (PLS) path model (Hair et al. 2014). The maximum number of arrowheads pointing at a latent variable is 4, so a minimum of 40 respondents was required.

In exhibit 4 here below some general information about the respondents can be found.

Store owner (General1)	Number of respondents	Percentage
No	12	14
Yes	76	86
TOTAL	88	

Gender (General3)	Number of respondents	Percentage
Female	53	60
Male	35	40
TOTAL	88	

Age (General4)	Number of respondents	Percentage
1 = <30 years	5	6
2 = >31 <45 years	23	26
3 = >46 <60 years	50	57
4 = >61 years	10	11
TOTAL	88	

Period of activity (General2)	Number of respondents	Percentage
<2 Years	7	8
>2 – <5 Years	8	9
>5 < 10 Years	6	7
>10 Years	68	76
TOTAL	88	

Exhibit 4: General information about the respondents

The general information shows that most of the respondents are store owner. The general information also shows a higher number of women. Most of the respondents have an age between 46 and 60 years old and are active for more than 10 years in the fashion industry.

4.3 Analysis of the data

To analyze our conceptual model, we have chosen to use Structural Equation Modeling. The choice is made to use Partial Least Squares Structural Equation Modeling (PLS-SEM) because this is the most appropriate approach, as it can work with non-normal distributed data. Smart PLS works with a regression method that makes this data more rigid (Hair et al. 2014). Another reason to use Smart PLS is that our research is exploratory. Smart PLS focuses on explaining the variance in the dependent variables when examining the model (Hair et al. 2013).

4.3.1 Pre-Data Analysis

First the data is analyzed to make sure that the data is useful for this research and significant statements can be made. Multiple pre data analysis tests are executed:

The survey tooling (www.enquetemaken.be) made it impossible to enter answers outside of the Likert scales and also didn't allow missing responses. The dataset was tested on both but as expected no outliers or missing responses were found. Some respondents were personally questioned for the completion of the questionnaire.

4.3.2 Convergent validity & indicator reliability

Convergent validity is the extent to which a measure correlates positively with alternative measures of the same construct. An established rule of thumb is that a latent variable should explain a substantial part of each indicator's variance, usually at least 50%. This means that an indicator's outer loading should be above 0.708 since that number squared (0.708^2) equals 0.50. Generally, indicators with outer loadings between 0.40 and 0.70 should be considered for removal from the scale only when deleting the indicator leads to an increase in the composite reliability (or the average variance extracted (AVE)) above the suggested threshold value. Using the same logic as used with the individual indicators, an AVE value of 0.5 or higher indicates that, on average, the construct explains more than half of the variance of its indicator" (Hair et al. 2014: 102-103).

Not all measured items are used in the conceptual model because they are not meeting the necessary criteria, which means they do not contribute enough to the associated latent construct. According to Hair et al, (2014) indicators with outer loadings between 0.40 and 0.70 should be considered for removal from the scale only when deleting the indicator leads

to an increase in the composite reliability above the suggested threshold value of 0.7 (0.6 in case of exploratory research).

If we look to the indicator reliability we considered all items with outer loadings between 0.4 and 0.7 for deleting in order to reach the minimum AVE of 0.5.

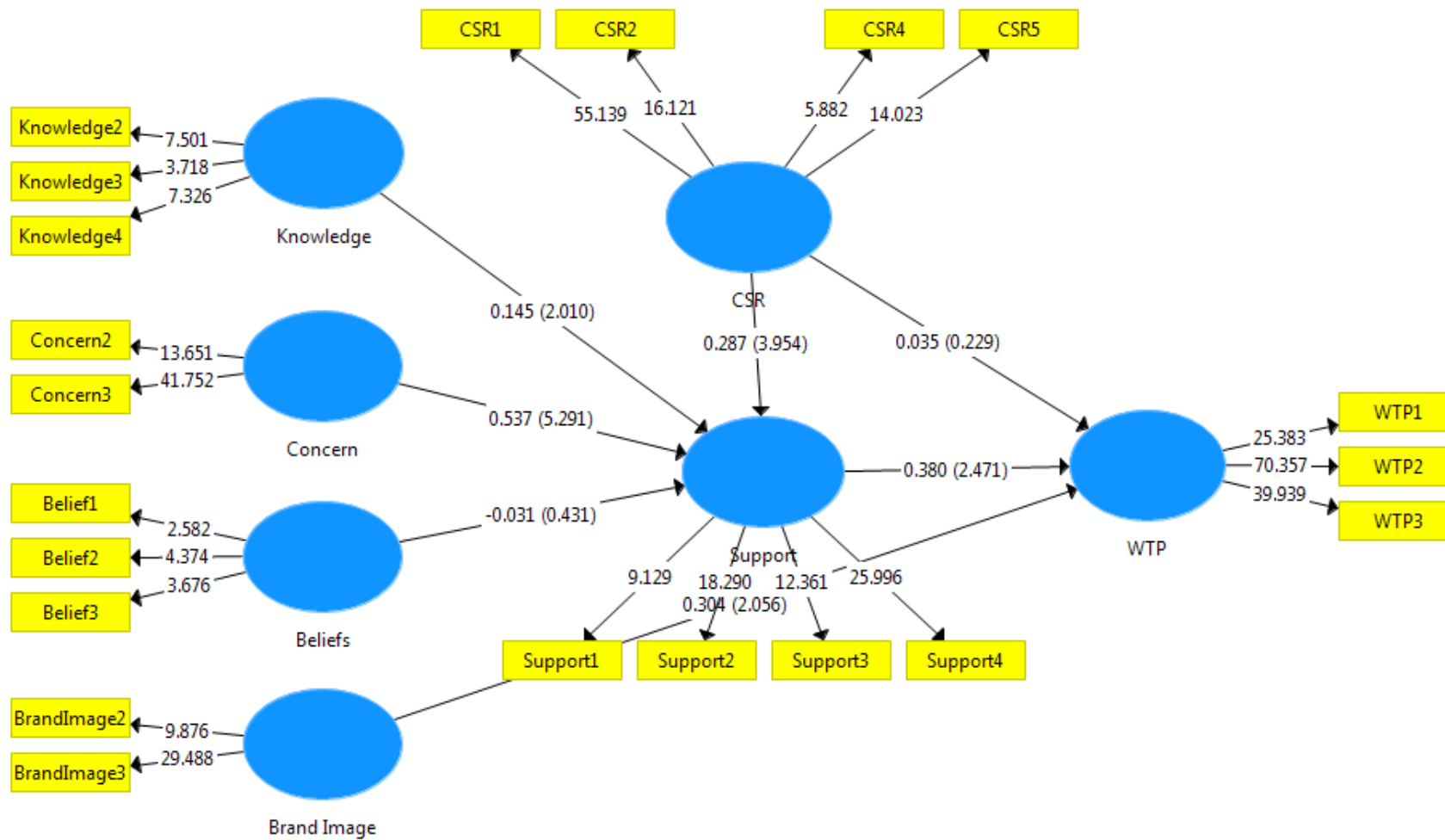


Exhibit 5: Final model tested

With this final model the skewness and Kurtosis (peaking) tests are done. For using the SEM method the skewness and Kurtosis can vary between -1 and +1 for a normal distribution (Gao et al. 2008). The results of this test are showing that BrandImage2 is not normal distributed because it is skewed and peaked. Belief1 is peaked so it is non-normal distributed. Concern2, Know2, Know3 and CSR5 are skewed so they are also non normal distributed. See appendix 2 for all results from the skewness and Kurtosis tests. So this degree of skewness and kurtosis is not an issue and the items were maintained. Especially because we have chosen to use PLS-SEM which can work with non-normal distributed data.

Exhibit 5 shows the final model with the t-values.

4.3.3 Composite reliability & discriminant validity

Next step is to check the measuring model on several other quality criteria named by Hair et al. (2014) in PLS-SEM. These are the following quality criteria: composite reliability and discriminant validity. When the model meets these criteria it is justified to start analyzing the structural model. The composite reliability is used to measure the internal consistency reliability. The composite reliability takes into account the different outer loadings while Cronbach's alpha considers all indicators equally (Hair et al. 2014). Cronbach's alpha is more sensitive to the number of items in the scale and generally trends to underestimate the internal consistency reliability. Due to Cronbach alpha's limitations in the population, it is more appropriate to apply the measure of composite reliability which takes into account the different outer loadings of the indicator variables. (Hair et al 2014).

Appendix 3 shows the outer loadings. The result shows that all loadings are significant, even with the loadings of CSR4 and knowledge 3 being low, all indicators should be maintained (<0.7).

The composite reliabilities are all between 0.8 and 0.9 except knowledge. You can find the composite reliability in exhibit 6. These values for the composite reliability are satisfactory according to Nunally & Bernstein (1994). They say that in advanced stages of research values between 0.7 and 0.9 can be regarded as satisfactory.

In addition to test the convergent validity the Average Variance Extracted test is performed. The AVE need to be higher than 0.50 in all cases. Which is the case for all constructs, see the results below:

	Average Variance Extracted (AVE)	Composite Reliability
Beliefs	0,681	0,863
Brand Image	0,771	0,871
CSR	0,608	0,858
Concern	0,718	0,836
Knowledge	0,511	0,757
Support	0,612	0,863
WTP	0,852	0,945

Exhibit 6 : Convergent validity , Composite reliability

The discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards. It implies that a construct is unique and captures phenomena not represented by other constructs in the model (Hair et al. 2014). This can be measured by the use of cross-loadings. The correlation between the items used for the construct should be higher than the correlation between the item and any other construct. In appendix 3 you can find the cross-loadings.

In addition to test discriminant validity another test is executed, namely Fornell-Larcker test which compares the square root of the AVE values with the latent variable correlations. The square roots of the AVE are shown diagonal in the table below. In the table below can be seen that the values for each variable are higher than the correlations with other constructs.

	Beliefs	Brand Image	CSR	Concern	Knowledge	Support	WTP
Beliefs	0,825						
Brand Image	0,071	0,878					
CSR	0,254	0,640	0,780				
Concern	0,216	0,313	0,597	0,847			
Knowledge	-0,041	0,246	0,378	0,238	0,715		
Support	0,151	0,439	0,654	0,736	0,383	0,782	
WTP	0,142	0,493	0,478	0,407	0,125	0,536	0,923

Exhibit 7: Discriminant validity

The three most important quality criteria for a reflective model (Convergent validity, composite reliability and discriminant validity) are now checked to see if the model is reliable and valid to be analyzed further. The results show that the values are reliable and valid so we can continue analyzing the structural model. The next step is to test the inner model.

4.3.4 Assessing structural model results

The structural model in PLS-SEM is assessed on the basis of heuristic criteria that are determined by the models predictive capabilities. The key criteria to assess a structural model in PLS-SEM are the significance of the path coefficients, the level of the R^2 values (Hair et al. 2014).

There is also no sign of collinearity issues, since all Variance Inflation factor (VIF) values are in range from 0.2 to 5.0. To test collinearity, the Variance Inflation factors are measured. All VIF values are lower than five which means there is no collinearity in the model. We have a VIF value variation between 1.0 and 2.0. See exhibit 8.

	Beliefs	Brand Image	CSR	Concern	Knowledge	Support	WTP
Beliefs						1,103	
Brand Image							1,695
CSR						1,781	2,394
Concern						1,566	
Knowledge						1,196	
Support							1,751
WTP							

Exhibit 8: Collinearity test

In exhibit 9 you will find the path coefficients:

	Original Sample (O)	T Statistics (O/STERR)	P-Value
Knowledge > support	0.145	2.010	0.044
Concern > support	0.537	5.291	0.000
Beliefs > support	-0.031	0.431	0.667
Brand Image > WTP	0.304	2.056	0.040
CSR > support	0.287	3.954	0.000
CSR > WTP	0.0035	0.229	0.819
Support > WTP	0.380	2.471	0.014

Exhibit 9: Path Coefficients

Several path model coefficients have rather low values. To assess whether these relationships are significant we used the bootstrapping method (87 cases, 5000 samples). We see that most t-values are above 1.96 which means there is a significance level of 5%. There are two exceptions. The first is the relation between beliefs and support which has a t-value of only 0.431 and the relation between CSR and WTP with a t-value of 0.229.

Exhibit 10 shows the different R² values of the endogenous constructs and their strengths.

	R Square	R Square Adjusted	Strength
Support	0,634	0,616	Moderate
WTP	0,371	0,348	weak

Exhibit 10: R²Values

4.4 Hypotheses

Now we have all values so we can determine which constructs influence each other, determine whether the hypotheses are supported and we can answer the main question of our research. You can find all hypotheses and their significance in exhibit 11 we used the t-test (>1.96) and the p-test (<0.05) to judge the significance of the hypotheses.

H	Dimension	Effect	On Dimension	T-Value	P-Value	Significance
1	Knowledge	Positive	Support for socially and environmentally responsible business	2.010	0.044	Hypothesis supported
2	Concern	Positive	Support for socially and environmentally responsible business	5.291	0.000	Hypothesis supported
3	Beliefs	Positive	Support for socially and environmentally responsible business	0.431	0.667	Hypothesis not supported
4	Brand image	Positive	Willingness to pay premium	2.056	0.040	Hypothesis supported
5	CSR	Positive	Support for socially and environmentally responsible business	3.954	0.000	Hypothesis supported
6	CSR	Positive	Willingness to pay premium	0.229	0.819	Hypothesis not supported
7	Support	Positive	Willingness to pay premium	2.471	0.014	Hypothesis supported

Exhibit 11: Hypotheses

4.5 Research Questions

The goal of this research is to complement the research of Shen et al (2012) for the impact of ethical fashion on the consumer purchase behaviour by further explaining the elements that have an effect on retailers' willingness to pay premium from the research of Goworek et al. (2012).

The result should be a more comprehensive view of the factors that are having an effect on the (Belgium) fashion retailers to pay premium for socially and environmentally responsible products. This expands the limited research there is on the dimensions of retailers and will also give manufacturers insight in how to create and promote their products (brand image, CSR, etc.) most effectively in order to increase the willingness to pay premium.

The main research question for the research was stated as:

What factors have an effect on retailers' (more specifically small fashion boutiques) willingness to pay premium for socially and environmentally responsible products in apparel and fashion?

With the testing of the hypotheses we have gained more insight in the answers of this research questions.

Knowledge, concern and CSR are contributing to support for socially and environmentally responsible products. Brand Image and Support for socially and environmentally responsible products are contributing to the willingness to pay premium for socially and environmentally responsible products in fashion and apparel. Beliefs does not influence the support of socially and environmentally responsible products and CSR does not contribute to the willingness to pay premium for socially and environmentally responsible products. CSR was also the weakest element in the research of Anselmsson et al (2014) in relationship with WTP.

The constructs in the conceptual model have at least one significant relationship with support or WTP. Out of seven hypotheses, five can be accepted. With the result of the hypotheses it can be explained on which dimension a manufacturer in socially and environmentally responsible apparel has to work on to strengthen and improve these dimensions. This is further explained in more detail in chapter 5.

5 CHAPTER - CONCLUSION

5.1 Conclusion

The main research question for the research was stated as:

What factors have an effect on retailers' (more specifically small fashion boutiques) willingness to pay premium for socially and environmentally responsible products in apparel and fashion?

The conceptual model as described meets all the criteria of a reliable and valid model. Five out of the seven hypothesis are supported because both the p-value and the t-value meet the criteria. Multiple conclusions can be drawn based upon this research and this model.

First, by testing the hypothesis, the model built by Shen et al. and Anselmsson, is used and more information is gained in the factors that have an effect on retailers' willingness to pay premium for socially and environmentally responsible products. The factors concern, beliefs, knowledge and CSR are tested on support for socially and environmentally responsible business. The factors CSR, brand image and support for socially and environmentally responsible business are tested on WTP.

Second, in the model of Shen et al support for socially and environmentally responsible business and the willingness to pay were accepted by the research. Our research confirms a significant positive relationship between concern and knowledge and the support for socially and environmentally responsible business and a positive relationship between support for socially responsible business and the willingness to pay premium. The relation between beliefs and support for socially and environmentally responsible business is not significant. This means that beliefs do not contribute to the support of socially and environmentally responsible business in a direct way. In the research of Shen et al (2012) levels of support for socially and environmentally responsible business are significant. The model of Anselmsson et al confirms the significant relationship between brand image and price premium. This research shows a positive relationship between brand image and the willingness to pay premium. Also the relationship between CSR and support is significant but the relationship between CSR and willingness to pay premium is not significant.

Third, this research intended to mainly explain the variance of customer support for socially and environmentally responsible products and willingness to pay premium by the retailers' support and willingness to pay premium and also suggest that there is a significant positive relationship between support for socially and environmentally responsible products and the willingness to pay premium. The model delivered by this research supported retailers' willingness to pay premium. In earlier research of Shen et al (2012) explained that socially

and environmentally responsible business influence consumer willingness to pay premium.

In the model of Anselmsson (2014), brand image or social image and CSR have a positive impact on the customers' willingness to pay premium. The results of the research of Anselmsson (2014) verify all relationships to price premium are significant with social image as one of the strongest predictors. In this research only the relation between brand image and willingness to pay premium is significant. The relation between CSR and support for socially and environmentally responsible products is also significant. The relation between CSR and willingness to pay premium is not significant.

These research results give a new perspective on the approximation of support for socially and environmentally responsible business and the willingness to pay premium by retailers. These results can offer new perspectives for manufacturers to adopt strategies towards more sustainable clothing and how to influence and improve the retailers' approach for supporting socially and environmentally responsible business. Knowing that knowledge is an important element for supporting sustainable business, manufacturers can improve communicating about their sustainable approach throughout the social media in order to reach out to a greater audience. Today, most people are connected on Facebook, Linked-in, Instagram etc.... Using these channels could improve peoples' knowledge about the social and environmental issues and by giving people more knowledge about these issues the support for sustainable business will grow and also the willingness to pay premium.

Possibly this is also applicable in other sectors. All types of manufacturing companies, who are involved in a supply chain project, can apply elements of this research. Food companies can explain their concern on environmental issues and with this promote the support for local products. Another example can be for the jewelry sector, where these companies can emphasize on the importance on social responsibility. More knowledge about trade in some regions can enlarge the support for honest business.

A positive relationship between support for socially and environmentally responsible business and the willingness to pay premium is found by several researchers. These researchers include Dickson (2000), Chan et al (2012) Jones et al (2007), Niimimäki (2009) and also most recent published research in the food sector from Ogbeide et al (2015). The outcome highlights the importance of product knowledge in consumers' willingness to pay for the environmental benefits of organic wine. When consumers gain information about the environmental attributes of a product, they process the information and use it to assign a value to the product.

5.2 Discussion / Limitations

This research has some limitations which will be discussed in this paragraph. These limitations can have biased the quality of the research and the conclusions drawn. To test the quality of a research the following aspects are important according to Yin (2009): construct validity, internal validity, external validity and the reliability.

5.2.1 Construct Validity

The construct validity is already discussed earlier in chapter 4.3.3. All constructs meet the minimum criteria for composite reliability, convergent validity, indicator reliability and discriminant validity.

5.2.2 Internal validity

The research was taken via online survey tooling which only allowed participants to fill in the questions on a Likert scale. No other answers could have been provided. Furthermore, no reverse type questions are used so there should be no interpretations issues. Using a Likert scale means that there was no possibility for respondents to answer differently. This makes the answers more valid. Because there are no reverse type questions used people might become more monotone. Some respondents added a remark at the end of the survey as if they had to answer similar questions.

5.2.3 External validity

This research was set out for a specific group, more specifically retailers, owners of small fashion boutiques in Belgium. Only a small part of the group replied to the questionnaire. We cannot guarantee this result to be valid for all retailers of small fashion boutiques or that the result can be generalized for other retailers outside the fashion industry. Future research has to be done and all elements need additional research in order to further generalize the conclusions.

5.2.4 Reliability

The online tool send out the emails to the acquired addresses. Some of the emails did not reach the respondents due to an incorrect email address. The same problem occurred with the paper version of the questionnaire. Some shops were personally asked to complete the questionnaire if they had not completed a questionnaire online already. A second and third email campaign were send after two weeks and after one month. Because of limited time and finances it was not possible to invest in more email campaigns or personal visits. To increase the reliability of the research a larger population is recommended.

5.2.5 Conclusion

Despite the limitations, this research can be stated as valid and reliable. All constructs used are tested before by other researchers. However never together in this composition. The results of this research are in line with the constructs tested by other researchers before in other research or other branches.

This research expands the knowledge about the relationships between knowledge, concern, beliefs, CSR and the support for socially and environmentally responsible products and the willingness to pay premium. This research also confirms the knowledge about the relationships between brand image and support and the willingness to pay premium. The focus in this research was on retailers, owners of small fashion boutiques instead of consumers, more precisely the end-customers. Despite the low response, the results confirm the factors of concern and knowledge to be significant for retailers to support socially and environmentally responsible products. The hypothesis concern this was not supported. A possible explanation for this could be that this construct is more related to the responsibility of other party in the supply chain and not so much seen as the responsibility of the retailer himself. Also CSR towards willingness to pay premium was not supported. CSR is a commitment a company has taken to behave ethically and improve quality. It can be explained that the construct of CSR tends more towards elements for support than elements for willingness to pay premium. The relationship between CSR and support for socially and environmentally responsible products was accepted. The low respondent rate could also be a possible explanation of the two hypothesis not being accepted in the model where in previous research among consumers they were accepted.

5.3 Practical recommendations

For companies in the fashion industry this research can provide some guidelines of how to improve the support for socially and environmentally products and the willingness to pay premium for those products. Companies aiming more durable and sustainable business will find elements that are important for the retailers and that will convince them to support this business and pay premium. We noted that some unawareness or lack of knowledge about the socially and environmentally issues still subsist. Manufacturers wanting to thrive sustainable business need to sensitive and emphasize the importance of durable and sustainable products with the intention to enlarge their support and WTP.

The research shows the relationships between knowledge, concern and CSR and support for socially and environmentally responsible business and brand image and support for socially and environmentally responsible business and WTP. We give some recommendations that

can be used by companies in the fashion industry or other industries in the future. If manufacturers want to improve the support for socially and environmentally responsible business it is important to know the factors that convince them. This can be done by putting forward their CSR strategies. Knowing knowledge and concern are also an important elements for increasing support, it is important for manufacturers to be transparent about working conditions, resources, choice of material, transport, waste,... towards retailers and consumers.

Brand image has a positive influence on the willingness to pay premium. But in order to charge higher prices, companies need to add elements such as uniqueness, social image to the brand image of the products that are needed to charge these higher prices. Also communication and marketing from manufacturers are required to enhance the sustainable and durable elements of the brands. This can contribute to the strengthening of the brand image.

5.4 Recommendations for future research

All steps executed in this research are documented, questionnaires are included so other researchers can repeat this research among other or a wider sample. When doing so there are some additional suggestion for future research that could be taken into account.

The research could be extended towards a larger sample. The data collection was difficult. There was a low and slow response on the demand for the filling in of the questionnaire online or returning the paper questionnaire. The questionnaires which were picked up in person were easier. Future research could organize a more personal approach in order to retrieve more response. Simply to get the model more generalizable a bigger sample size can be better.

The research could be extended towards additional factors such as, awareness, quality, uniqueness or origin that could determine support for socially and environmentally responsible products and the willingness to pay premium.

This research has only been done in small fashion boutiques in Belgium. To generalize the model of the research we suggest that the research is done among more small fashion boutiques in Europe or in other shops in other branches such as food, decoration, electronic devices etc... .

In order to have a valid model a number of constructs were not used or implemented. To get a more valid construct different items can be used to measure support for socially and environmentally responsible business and the willingness to pay premium.

6 REFERENCES

- Aaker, D. A. (1996). "Measuring Brand Equity Across products and Markets." California Management Review **Vol. 38**(No. 3): pp. 102 - 120.
- Aaker, J. L. (1997). "Dimensions of Brand Personality." Journal of Marketing Research **Vol. XXXIV**: pp. 347-356.
- Anselmsson, J., Vestman Bondesson, N., Johansson, U. (2014). "Brand image and customers' willingness to pay a price premium for food brands." Journal of Product & Brand Management **Vol. 23**(2): pp. 90 - 102.
- Azoulay, A. a. K., J.N. (2003). "Do brand personality scales really measure brand personality?" Journal of Brand Management **Vol. II**(No 2): pp. 143-155.
- Bearden, W.O., Netemeyer, R.G. (1999) "Handbook of Marketing Scales". Second edition, Sage Inc. ISBN 0-7919-1000-X
- Bernard, C. J., Hustvedt, G. and Carroll, K.A. (2013). "What is a label worth? Defining the alternatives to organic for US wool producers." Journal of Fashion Marketing and Management **Vol. 17**(No 3): pp. 266-279.
- Bianchi, C. a. B., G. (2010). "Sell, give away, or donate: an exploratory study for fashion clothing disposal behaviour in two countries." The International Review of Retail, Distribution and Consumer Research **Vol. 20**(No 3): pp. 353-368.
- Brundtland, G. H. (1987). ""Our common future". Report of the World Commission on Environment and Development, available at: www.un-documents.net/ocf-01.htm.
- Chan, T. a. W., C.W.Y. (2012). "The consumption side of sustainable fashion supply chain." Journal of Fashion Marketing and Management **Vol. 16**(No. 2): pp. 193-215.
- Dickson, M. A. (2000). "Personal Values, Beliefs, Knowledge, and Attitudes Relating to Intentions to Purchase Apparel from Socially Responsible Businesses." Consumer and Textile Research Journal **18**(1): 19-30.
- Djajadikerta, H.G., Roni, M.S. , Trireksani, T.. (2015). "Dysfunctional information system behaviors are not all created the same: Challenges to the generalizability of security-based research." Journal of Information and Management **Vol 52** (No8) pp.1013-1024.
- Gao, S., Mokhtarian, P., Johnston, R., (2008), Non-normality of Data in Structural Equation Models. University of California Transportation Center, UC Berkeley
- Goworek, H., Fisher, T., Cooper, T., Woodward, S., Hiller, A. (2012). "The sustainable clothing market: an evaluation of potential strategies for UK retailers." International Journal of Retail & Distribution Management **Vol. 40**(No 12): pp. 935-955.
- Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarsted, M. (2014), A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)

- Joergens, C. (2006). "Ethical Fashion: myth or future trend?" Journal of Fashion Marketing and Management **Vol 10**(No. 3): p.360 - 371.
- Jones, P., Comfort, D. and Hillier, D (2007). "Marketing and corporate social responsibility within food stores." British Food Journal **Vol. 108**(No. 8): pp 582-593.
- Jones, P., Comfort, D. and Hillier, D (2011). "Sustainability in the global shop window." Journal of Retail & Distribution Management **Vol. 39**(No 4): pp. 256-271.
- Lau, G. T. a. L., S.H. (1999). "Consumers' trust in a brand and the link to brand loyalty." Journal of Market Focused Management **Vol. 4**(No 4): 341-370.
- Lavorata, L. (2014). "Influence of retailers' commitment to sustainable development on store image, consumer loyalty and consumer boycotts: Proposal for a model using the theory of planned behaviour." Journal of Retailing and Consumer Services **21**: p.1021 - 1027.
- Morrison, G., Humlen, A. (2013). "Retailing with purpose: how to pursuit of social responsibility can inspire and sustain retail growth and innovation." Brand Strategy **Vol. 2**(2): pp. 853-886.
- Niinimäki, K. (2009). "Consumer values and eco-fashion in the future." Koskela, J. and Vinnari, M. (Ed.) Future of the Consumer Society, Writers and Finland Futures Research Center, Turku School of Economics, Tampere: pp. 125-134.
- Niinimäki, K. (2010). "Eco-Clothing, Consumer Identity and Ideology." Sustainable Development **Vol. 18**(No. 3): pp. 150-162.
- Ochoa, L. M. C. (2011). "Will 'Eco-Fashion' take off? A survey of potential customers of organic cotton clothes in London." <http://publicaciones.eafit.edu.co/index.php/administer/article/view/188> (accessed October 10, 2011).
- Ogbeide, O. A., Ford, C., Stringer, R., (2015) "The Environmental Benefits of Organic Wine: Exploring Consumer Willingness-to-Pay Premiums?" Journal of Food Products Marketing, **Vol 21** pp482–502
- Saunders, M., Lewis, P. and Tornhill, A. (2008): Boek "Methoden en Technieken van Onderzoek". 4e editie, Pearson Education Benelux B.V. ISBN 978-90-430-1465-6
- Shen, B., Wang, Y., Lo, C.K.Y. and Shum, M. (2012). "The impact of ethical fashion on consumer purchase behaviour." Journal of Fashion Marketing and Management **Vol. 16**(No. 2): pp. 234-245.
- Sheth, J. N., Sethia, N. K., Srivivas, S. (2011). "Mindful consumption: a customer- centric approach to sustainability." Journal of the Academy Marketing Science **Vol. 39**: pp.21-39.
- Tjärnemo, H., Södahl, L. (2014). "Swedish food retailers promoting climate smarter food choices - Trapped between visions and reality." Journal of Retailing and Consumer Services **24**(1): p. 130 - 139.
- Vaaland, T. I., Heide, M., Gronhaug, K. (2008). "Corporate Social responsibility: investigating theory and research in the marketing context." European Journal of Marketing **Vol. 42**(No. 9/10): pp. 927 - 953.

Viot, C. (2011). "Can brand identity predict brand extensions' succes or failure." Journal of Product & Brand Management **Vol. 20**(No. 3): pp. 216-227.

Yin R.K. (2009) "Case study research – Design and methods" vierde editie, Sage Inc. ISBN 978-1-4129-6099-1

<http://www.oxforddictionaries.com/definition/english/brand-equity>

<http://www.oxforddictionaries.com/definition/english/brand-image?q=brand+image>

<http://nl.metrotime.be/2015/06/02/must-read/belg-is-duurzaamheid-moe/>

APPENDIX 1: QUESTIONNAIRE

Question	Answer	Variable
Are you the store owner	Y/N	General1
How long do you have the store	<2 >2 – <5 >5 >10	General2
Are you Male/ Female	M/F	General3
Age		General4
I am member of a FTO organization (WFTO, WWF, Oxfam, Fair Trade...)		General5
In which price-segment are you situated (EUR)		
§ T-shirt	<25 >25-<50 >50	General6
§ Trousers/skirt	< 50 >50 <100 >100	General7
§ Jacket	<100 >100-<200 >200	General8
Products of a brand have to have high standard of quality		BrandImage1
Products of this brand are produced under good working conditions		CSR5
I know about environmental waste issues regarding clothing production (f.i. waste disposal of dyeing fabrics)		Knowledge3
Clothing must be manufactured ethically		Concern2
I use ecological packaging in my shop		CSR4
When I must choose between the two, I usually dress for fashion, not comfort		BrandImage4
Sweatshop issues should be actively discussed and confronted in society		Concern4
I am willing to pay more for clothing that is produced in accordance to the Fair Labor Standards		WTP1
It is still worthwhile to support no-sweat production even if I have to forgo some clothing options		Support1
I am aware of the problems on child labour or exploitation in the fashion industry		Knowledge1
Fashion apparel manufacturers generally require their employees work no more than 40 hours per week		Belief1
I know what the brand in the shop stands for		BrandImage2
It is still worthwhile to support eco-friendly apparel even if I have to forgo some clothing options		Support4
I believe that I am informed about issues in foreign clothing manufacturing business		Knowledge4
As an entrepreneur I should be interested in the labor practices behind the apparel that I purchase		Concern3
Products of this brand comes from suppliers who care about social and environmental welfare		CSR1

I plan to buy apparel from environmentally responsible fashion retailers in the future		Support2
I am willing to pay a premium for clothing that is produced in accordance with the sustainable garment production standard		WTP2
I would like the clothing has a label assuring it was made in safe and fair conditions		Support3
I am involved with the environmental issues		CSR3
Fashion apparel manufacturers generally provide safe workplaces for their employees		Belief2
I am willing to pay a lot more for brands that are produced socially & environmentally responsible than other brands in that category		WTP3
I feel I know what to expect from the brands I have in the shops		BrandImage3
I am knowledgeable about sweat shop issues in the fashion apparel manufacturing business		Knowledge2
Products of this brand are environmentally friendly		CSR2
I am concerned with sweatshop issues affecting works in the fashion apparel manufacturing business		Concern1
Child labor is generally not used by fashion apparel manufacturers		Belief3

APPENDIX 2: Skewness and Kurtosis test

		Belief1	Belief2	Belief3	Concern2	Concern3	Know2	Know3	Know4
N	Valid	88	88	88	88	88	88	88	88
	missing	0	0	0	0	0	0	0	0
Skewness		,033-	,107	-,022	-1,083	-,656	-1,209	-1,185	-,728
Std.Error of Skewness		,257	,257	,257	,257	,257	,257	,257	,257
Kurtosis		-1,127	-,951	-,594	,005	-,588	,604	,736	-,077
Std.Error of Kurtosis		,508	,508	,508	,508	,508	,508	,508	,508

		BrandIm2	BrandIm3	Support1	Support2	Support3	Support4	CSR1	CSR2
N	Valid	88	88	88	88	88	88	88	88
	missing	0	0	0	0	0	0	0	0
Skewness		-1,258	-,751	-,430	-,662	-,821	-,660	-,415	-,122
Std.Error of Skewness		,257	,257	,257	,257	,257	,257	,257	,257
Kurtosis		1,442	,050	-,317	-,127	-,470	,271	-,742	-,505
Std.Error of Kurtosis		,508	,508	,508	,508	,508	,508	,508	,508

		CSR4	CSR5	WTP1	WTP2	WTP3
N	Valid	88	88	88	88	88
	missing	0	0	0	0	0
Skewness		-,427	-1,058	-,986	-,631	-,729
Std.Error of Skewness		,257	,257	,257	,257	,257
Kurtosis		-,868	0,721	,628	-,220	-,305
Std.Error of Kurtosis		,508	,508	,508	,508	,508

APPENDIX 3: Outer Loadings

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Belief1 <- Beliefs	0,692	0,635	0,268	2,582	0,010
Belief2 <- Beliefs	0,914	0,830	0,209	4,374	0,000
Belief3 <- Beliefs	0,854	0,769	0,232	3,676	0,000
BrandImage2 <- Brand Image	0,838	0,827	0,085	9,876	0,000
BrandImage3 <- Brand Image	0,917	0,919	0,031	29,488	0,000
CSR1 <- CSR	0,918	0,917	0,017	55,139	0,000
CSR2 <- CSR	0,819	0,817	0,051	16,121	0,000
CSR4 <- CSR	0,575	0,573	0,098	5,882	0,000
CSR5 <- CSR	0,767	0,762	0,055	14,023	0,000
Concern2 <- Concern	0,805	0,794	0,059	13,651	0,000
Concern3 <- Concern	0,888	0,890	0,021	41,752	0,000
Knowledge2 <- Knowledge	0,750	0,736	0,100	7,501	0,000
Knowledge3 <- Knowledge	0,633	0,602	0,170	3,718	0,000
Knowledge4 <- Knowledge	0,755	0,749	0,103	7,326	0,000
Support1 <- Support	0,728	0,722	0,080	9,129	0,000
Support2 <- Support	0,814	0,812	0,045	18,290	0,000
Support3 <- Support	0,745	0,741	0,060	12,361	0,000
Support4 <- Support	0,837	0,838	0,032	25,996	0,000
WTP1 <- WTP	0,881	0,880	0,035	25,383	0,000
WTP2 <- WTP	0,948	0,946	0,013	70,357	0,000
WTP3 <- WTP	0,939	0,937	0,024	39,939	0,000

APPENDIX 4: Cross loading

	Beliefs	Brand Image	CSR	Concern	Knowledge	Support	WTP
Belief1	0,692	0,052	0,111	0,068	-0,069	0,060	0,110
Belief2	0,914	0,065	0,212	0,173	-0,012	0,154	0,164
Belief3	0,854	0,058	0,270	0,250	-0,047	0,131	0,075
BrandImage2	0,046	0,838	0,594	0,265	0,171	0,400	0,360
BrandImage3	0,074	0,917	0,544	0,286	0,251	0,378	0,492
CSR1	0,213	0,604	0,918	0,591	0,318	0,656	0,452
CSR2	0,172	0,549	0,819	0,436	0,333	0,516	0,343
CSR4	0,265	0,133	0,575	0,357	0,340	0,418	0,198
CSR5	0,167	0,619	0,767	0,445	0,212	0,419	0,458
Concern2	0,233	0,189	0,401	0,805	0,036	0,539	0,398
Concern3	0,146	0,328	0,591	0,888	0,332	0,695	0,307
Knowledge2	-0,034	0,082	0,219	0,191	0,750	0,281	0,137
Knowledge3	-0,118	0,064	0,162	0,138	0,633	0,201	0,030
Knowledge4	0,030	0,333	0,390	0,177	0,755	0,320	0,087
Support1	0,049	0,218	0,369	0,530	0,255	0,728	0,435
Support2	0,092	0,426	0,709	0,661	0,466	0,814	0,336
Support3	0,246	0,293	0,398	0,571	0,143	0,745	0,468
Support4	0,091	0,416	0,534	0,531	0,305	0,837	0,455
WTP1	0,117	0,298	0,404	0,376	0,056	0,435	0,881
WTP2	0,071	0,579	0,497	0,404	0,165	0,558	0,948
WTP3	0,218	0,439	0,410	0,346	0,104	0,474	0,939

